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Chief says Stobart has moved on from board coups

By Mark Wembridge



Andrew Tinkler: 'We didn't need an executive chairman'

The chief executive of Stobart Group has expressed confidence that the Cumbria-base haulier had moved on from its boardroom coup and counter-coup, as solid half-year results lifted its shares.

Andrew Tinkler – who led the move to oust Avril Palmer-Baunack as executive chairman, only 10 weeks after investors had backed her appointment – denied that there had been any tension between

the two.

“It’s 100 per cent over,” Mr Tinkler said on Thursday. “When Avril came in, we did a board review on where we were in our four-year strategy. We also looked at corporate governance . . . and what came of that was that everybody was happy with what we previously had in place.”

In April, the board announced that Ms Palmer Baunack’s role would be scrapped. “The shareholders were happy with the review, and backed our decision that we didn’t need an executive chairman,” said Mr Tinkler, who regained responsibility for the day-to-day running of Stobart Group as a result. “Avril decided to step down and get on with her future career elsewhere.”

Mr Tinkler also shrugged off concerns over the legal proceedings being brought against him and Trevor Howarth, Stobart’s legal director.

The two were last month committed for trial for alleged contempt of court over a dispute concerning claims made by Peter Elliott, Mr Tinkler’s former pilot, that Mr Tinkler’s business, WA Developments International, had run illegal air operations. It is a civil, not a criminal, allegation.

“It will all get sorted out soon, and it doesn’t affect my day-to-day running of the business,” Mr Tinkler said.

His comments came as Stobart Group, whose green Eddie Stobart-branded lorries are a regular sight on Britain's motorways, reported a 24 per cent jump in full-year pre-tax profit to £36m for the 12 months to February 28.

However, when a £13.4m loss from its chilled pallet division – which was shut during the year – is included, profit after tax fell 36 per cent to £17.5m.

Revenues rose from £491.7m to £572.4m, and diluted earnings per share fell from 8.43p to 5.09p. The final dividend was held at 4p, keeping the full-year payout stable at 6p.

As well as its core transport business, Stobart owns Southend and Carlisle airports, an engineering services unit, a property portfolio acquired through related-party transactions with Mr Tinkler and Mr Stobart, and a biomass division. Mr Tinkler confirmed on Thursday that some £50m of property assets were due to be sold in the coming year, and the proceeds used to pay down some of its £216m net debt.

In January, a profit warning dragged down Stobart shares sufficiently to push the group out of the FTSE 250 index. Its shares rose 5 per cent to 93p on Thursday.